

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4681-02  
Bill No.: SB 1175  
Subject: Elderly; Nursing and Boarding Homes; Health Care; Medical Procedures and Personnel; Health Dept.  
Type: #Updated  
Date: April 1, 2002  
 #Updated to reflect new information from the Department of Social Services.

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(Unknown less than \$26,541)	(Unknown less than \$27,602)	(Unknown less than \$28,706)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(Unknown less than \$26,541)</b>	<b>(Unknown less than \$27,602)</b>	<b>(Unknown less than \$28,706)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> Federal Funds*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Revenues and expenditures Unknown less than \$50,000 annually and net to \$0.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Health and Senior Services (DOH)** stated that although the DOH inspection process will need to be expanded to ensure facilities comply with the requirements to provide immunizations to residents, the DOH believes the affect on workload would be insignificant and can be handled by existing staff.

Officials from the **Office of the Secretary of State (SOS)** state this bill requires that long-term facilities, adult day care facilities and assisted living facilities make immunizations for influenza and pneumonia available to residents sixty-five and older on a yearly basis. The Department of Health and Senior Services will promulgate rules to implement this bill. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Health and Senior Services could require as many as 18 pages in the *Code of State Regulations*. For any given rule, roughly one-half again as many pages are published in the *Missouri Register* as are published in the Code because cost statements, fiscal notes and notices are not published in the Code. The estimated cost of a page in the *Missouri Register* is \$23.00. The estimated cost of a page in the *Code of State Regulations* is \$27.00. The actual costs could be more or less than the numbers given. The fiscal impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn. The SOS estimates the cost of this legislation to be \$900 [(18 pp x \$27) + (27 pp x \$23)].

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

# Officials from the **Department of Social Services (DOS) - Division of Medical Services (DMS)** stated the DMS is assuming that the costs of the immunization requirements will be covered through the Medicaid pharmacy program and not included in the nursing facility per diem rate. The DMS also assumes that some residents 65 years of age or older are already receiving the immunizations through their physician. The DMS has no way of determining the number of residents that would be affected by the new legislation as some already receive these services. Medicare Part B coverage would be affected.

During FY 01, there were 34,024 Medicaid nursing home residents 65 years of age or older. 92.3% of Medicaid nursing home residents 65 years of age or older have Medicare Part B coverage; 7.7% do not.

### ASSUMPTION (continued)

According to the Pharmacy Unit within DMS, the price of the immunization for influenza is a

flat \$5.13 no matter what brand is given. The price of the immunization for pneumonia is an average of the wholesale price and is, therefore, affected by the brand given. However, \$21.00 is the average rate.

The projected cost for FY 03 is \$68,457; FY 04 is \$71,195; and FY 05 is \$74,043. A federal match rate of 61.23% is used for each year.

Calculation:

Number of Medicaid residents 65 years of age or older - FY 01		34,024
Percent without Medicare Part B coverage		<u>7.7%</u>
Number of Medicaid residents which Medicaid Pharmacy program would cover immunizations		2,620
Influenza immunization cost	\$ 5.13	
Pneumonia immunization cost	<u>\$21.00</u>	
Total immunization cost per unit		<u>\$26.13</u>
Annual cost for FY 03		\$68,457
State cost	\$26,541	
Federal cost	\$41,916	
Annual cost for FY 04 (trended 4%)		\$71,195
State cost	\$27,602	
Federal cost	\$43,593	
Annual cost for FY 05 (trended 4%)		\$74,043
State cost	\$28,706	
Federal cost	\$45,337	

FY 04 and FY 05 were trended forward by 4% because the cost of the pneumonia immunization is based on the average wholesale cost and would increase accordingly (4% is the normal trend used by DMS for Medicaid costs).

Officials from the **Department of Mental Health (DMH)** stated this bill affects the Department of Social Services. The DMH already gives such immunizations to clients in its long-term care facilities. The only clients which might be affected would be the 969 eligible clients in the supported community ASSUMPTION (continued)

living program. This bill is written for section 198, RSMo, which covers the Department of Social Services. If the rules promulgated would require the DMH to immunize its SCL clients, the cost would be minimal.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b>GENERAL REVENUE FUND</b>			
<u>Costs - Department of Social Services</u>			
Immunization Costs	<u>(Unknown less than \$26,541)</u>	<u>(Unknown less than \$27,602)</u>	<u>(Unknown less than \$28,706)</u>
Total <u>Costs</u> - Department of Social Services	<u>(Unknown less than \$26,541)</u>	<u>(Unknown less than \$27,602)</u>	<u>(Unknown less than \$28,706)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(Unknown less than \$26,541)</u></b>	<b><u>(Unknown less than \$27,602)</u></b>	<b><u>(Unknown less than \$28,706)</u></b>
<b>FEDERAL FUNDS</b>			
<u>Income - Department of Social Services</u>			
Medicaid Reimbursements	Unknown less than \$41,916	Unknown less than \$43,593	Unknown less than \$45,337
<u>Costs - Department of Social Services</u>			
Medicaid Reimbursements	<u>(Unknown less than \$41,916)</u>	<u>(Unknown less than \$43,593)</u>	<u>(Unknown less than \$45,337)</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS*</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

\* Revenues and expenditures Unknown less than \$50,000 annually and net to \$0.

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

The proposed legislation would have an indeterminate economic impact on any long-term, adult day care or assisted living facility that may incur costs to purchase vaccines and administer immunizations to residents.

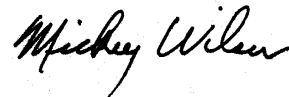
DESCRIPTION

This act requires certain care facilities to provide immunizations for influenza and pneumonia to their residents 65 years of age or older. A new Section 198.074 is created to require long term care facilities, adult day care facilities, and assisted living facilities to provide such immunizations annually or upon admission. The Department must develop rules for documenting compliance, including the documentation of residents who refuse the immunization. The Department may not impose a violation on a facility for not making an immunization available if a shortage exists.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

#### SOURCES OF INFORMATION

Department of Health and Senior Services  
Office of Secretary of State  
Department of Social Services  
Department of Mental Health



Mickey Wilson, CPA  
Acting Director  
April 1, 2002